



October 26, 2005

Mary L. Cottrell, Secretary
Massachusetts Department of Telecommunications and Energy
One South Station, 2nd Floor
Boston, MA 02110

**RE: Low Income Discount Participation Rate
D.T.E. 01-106-C/D.T.E. 05-55/D.T.E. 05-56
Revision to Compliance Tariff Filing**

Dear Secretary Cottrell:

In compliance with the above referenced order, Fitchburg Gas and Electric Light Company d/b/a Unitil ("Unitil") hereby submits the following tariffs for effect November 1, 2005:

Gas Division
M.D.T.E. No. 120

Electric Division
M.D.T.E. No. 128

On October 21, 2005, Unitil submitted compliance tariffs and schedules calculating its proposed Residential Assistance Adjustment Factor ("RAAF"). In the instant filing, Unitil is submitting revised rate calculations to reflect recovery of July 2005 to June 2006 lost revenue beginning November 1, 2005, for Unitil's Gas Division and January 1, 2006 for Unitil's Electric Division. The attached tariff pages are the same as submitted by Unitil in its October 21, 2005 filing.

As discussed in the October 21, 2005 filing, these tariffs establish reconciliation adjustment mechanisms for Unitil's Gas and Electric Divisions consistent with the Department's order. Specifically, the tariffs set forth the mechanism for calculating the RAAF. The purpose of the RAAF is to collect any amount of low-income discount on or after July 1, 2005, in excess of the baseline amount. The RAAF is calculated on a prospective basis. Any subsequent over- or under recovery will be reconciled in the following year. The Gas Division's reconciliation will occur with its peak/winter Local Distribution Adjustment Clause ("LDAC") filings and the Electric Division's reconciliation will occur with its annual transition charge reconciliation filings. Over- or under-recoveries will accrue interest at the prime rate consistent with Department regulations. The tariff establishes a baseline amount of low-

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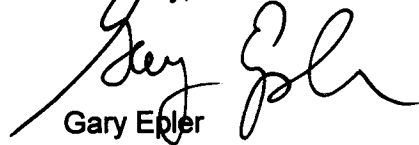
income discount that is collected through base rates for the twelve months ending June 30, 2005.¹

The revised schedules supporting Unitil's proposed RAAF for its Gas and Electric Divisions is attached. Consistent with the reconciliation dates above and as indicated in its tariff, Unitil proposes that its RAAF become effective on November 1, 2005 for its Gas Division and on January 1, 2006 for its Electric Division. As shown, the proposed RAAF for the Gas Division is \$0.0016 per therm. The proposed RAAF for the Electric Division is \$0.00008 per kWh.

A typical gas residential heating customer using 150 therms per month in the winter will see an increase of \$0.24 or 0.1% from current rates as a result of this change. A typical electric residential customer using 500 kWh per month will see an increase of \$0.04 or 0.05% from current rates as a result of this change.

The RAAF will be included in the Gas Division's LDAC for billing purposes. On September 16, 2005, Unitil filed its LDAC for effect November 1, 2005. Attached is an updated Form II, Page 1 of 1 including the RAAF.

Sincerely,



Gary Epler

cc: Michael Killion, Esquire, Hearing Officer
Ronald LeComte, Director, Electric Power Division
Kevin Brannelly, Director, Rates and Revenue Requirements
George Yiankos, Director, Gas Division
David McKeehan, President, No. Central MA Chamber of Commerce
D.T.E. 01-106 Service List

¹ For the Gas Division, the baseline is calculated based on weather normalized data. As part of its sales forecasting process, Unitil routinely performs calculations in order to restate gas usage on a weather normalized basis. Unitil conducts a linear regression of actual usage versus actual heating degree days to determine coefficients which can then be applied against normal degree days to establish weather normalized usage. Unitil used this same analysis in establishing its baseline.

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY**RESIDENTIAL ASSISTANCE ADJUSTMENT CLAUSE****SCHEDULE RAAC****1.01 Purpose**

The purpose of the Residential Assistance Adjustment Clause ("RAAC") is to provide Fitchburg Gas and Electric Light Company (the "Company") a mechanism for the recovery of lost revenue, on an annual basis and subject to the jurisdiction of the Department of Telecommunications and Energy (the "Department"), based on the increase of residential assistance customers enrolled in the Company's discounted rates (Rate R-2 and Rate R-4) as a result of a computer matching program with the Massachusetts Executive Office of Health and Human Services, as described in the Department's D.T.E. 01-106 order, as well as through traditional outreach programs. On and after July 1, 2005, any amount of low-income discount in excess of the Baseline Revenue, as defined below, will be eligible for recovery through the RAAC.

1.02 Applicability

The RAAC shall be applicable to all Firm Customers unless otherwise designated. For billing purposes, the RAAC shall be included in the Local Distribution Adjustment Clause ("LDAC").

1.03 Effective Date of Annual Adjustment Factor

The Residential Assistance Adjustment Factor ("RAAF") shall be effective on November 1st of each year, unless otherwise ordered by the Department.

1.04 Definitions

The following terms shall be used in this tariff as defined in this section, unless the context requires otherwise.

- (1) "Baseline Revenue" is the difference, on a weather normalized basis, between the base rate revenues that would have been collected from customers receiving the low-income discount for the twelve months ending June 30, 2005, had no low-income discount existed and the actual base rate revenues collected from low-income customers for the twelve months ending June 30, 2005.
- (2) "Distribution Company" or "Company" is Fitchburg Gas and Electric Light Company.
- (3) "Prior Year" is the twelve-month period immediately prior to the effective date of a proposed RAAF.

1.05 Residential Assistance Adjustment Factor Formula

$$RAAF_x = [(RA_x) + (Cust_x(DCust\$_x) + Use_x(DUse\$_x)) - BR + I_x]/FUse_x$$

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY**RESIDENTIAL ASSISTANCE ADJUSTMENT CLAUSE****SCHEDULE RAAC**

| | |
|---------------|---|
| $RAAF_x =$ | The annual Residential Assistance Adjustment Factor. |
| $RA_x =$ | The Reconciliation Adjustment for Year _x shall be the amount of over/under collection from the end of the Prior Year. Reconciliations shall be performed monthly and shall be based on revenue calculations for the actual customers participating in the Company's discounted rates and those customers' actual monthly usage as recorded in the Company's billing data base. Interest shall be calculated on the average monthly balance using the prime rate computed in accordance with 220 C.M.R. § 6.08(2) and added to each end-of-month balance. |
| $Cust_x =$ | The estimated number of customers participating in the Company's discounted rates (Rate R-2 and Rate R-4). |
| $Use_x =$ | The estimated therm usage of customers participating in the Company's discounted rates (Rate R-2 and Rate R-4). |
| $DCust\$_x =$ | The difference between the non-discounted and discounted customer charge for the applicable rates. |
| $DUse\$_x =$ | The difference between the non-discounted and discounted therm distribution charges for the applicable rates. |
| $BR =$ | The Baseline Revenue is \$290,060. |
| $I_x =$ | The estimated interest in the forecast period. |
| $FUse_x =$ | The estimated therms in the forecast period. |

In the event that the Company's total low-income discount in a given year is below the Baseline Revenue, no refund of any Baseline Revenue will be due to ratepayers.

1.06 Information Required to be Filed with the Department

Information pertaining to the RAAC shall be filed with the Department at least forty-five (45) days before the date on which a new RAAF is to be effective, in conjunction with the Company's peak/winter LDAC filings. This information shall be submitted with each annual RAAF filing, along with complete documentation of the reconciliation-adjustment calculations.

1.07 Customer Notification

The Company shall notify customers in simple terms of changes to the RAAF, including the nature of the change and the manner in which the RAAF is applied to the bill. In the absence of a standard format, the Company shall submit this notice for approval at the time of each RAAF filing. Upon approval by the Department, the Company shall immediately distribute these notices to all of its distribution customers either through direct mail or with its bills, or as a bill message.

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY**RESIDENTIAL ASSISTANCE ADJUSTMENT CLAUSE****SCHEDULE RAAC****1.01 Purpose**

The purpose of the Residential Assistance Adjustment Clause ("RAAC") is to provide Fitchburg Gas and Electric Light Company (the "Company") a mechanism for the recovery of lost revenue, on an annual basis and subject to the jurisdiction of the Department of Telecommunications and Energy (the "Department"), based on the increase of residential assistance customers enrolled in the Company's discounted rate (Rate RD-2) as a result of a computer matching program with the Massachusetts Executive Office of Health and Human Services, as described in the Department's D.T.E. 01-106 order, as well as through traditional outreach programs. On and after July 1, 2005, any amount of low-income discount in excess of the Baseline Revenue, as defined below, will be eligible for recovery through the RAAC.

1.02 Applicability

The RAAC shall be applicable to all Customers unless otherwise designated. For billing purposes, the RAAC shall be included in the Distribution Charge.

1.03 Effective Date of Annual Adjustment Factor

The Residential Assistance Adjustment Factor ("RAAF") shall be effective on the first day of each calendar year, unless otherwise ordered by the Department.

1.04 Definitions

The following terms shall be used in this tariff as defined in this section, unless the context requires otherwise.

- (1) "Baseline Revenue" is the difference between the base rate revenues that would have been collected from customers receiving the low-income discount for the twelve months ending June 30, 2005, had no low-income discount existed and the actual base rate revenues collected from low-income customers for the twelve months ending June 30, 2005.
- (2) "Distribution Company" or "Company" is Fitchburg Gas and Electric Light Company.
- (3) "Prior Year" is the twelve-month period immediately prior to the effective date of a proposed RAAF.

1.05 Residential Assistance Adjustment Factor Formula

$$RAAF_x = [(RA_x) + Cust_x(DCust\$_x) + Use_x(DUse\$_x) - BR + I_x]/FUse_x$$

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY**RESIDENTIAL ASSISTANCE ADJUSTMENT CLAUSE****SCHEDULE RAAC**

| | |
|------------------------|--|
| RAAF _x = | The annual Residential Assistance Adjustment Factor. |
| RA _x = | The Reconciliation Adjustment for Year _x shall be the amount of over/under collection from the end of the Prior Year. Reconciliations shall be performed monthly and shall be based on revenue calculations for the actual customers participating in the Company's discounted rate and those customers' actual monthly usage as recorded in the Company's billing data base. Interest shall be calculated on the average monthly balance using the prime rate computed in accordance with 220 C.M.R. § 6.08(2) and added to each end-of-month balance. |
| Cust _x = | The estimated number of customers participating in the Company's discounted rate (Rate RD-2). |
| Use _x = | The estimated kWh usage of customers participating in the Company's discounted rate (Rate RD-2). |
| DCust\$ _x = | The difference between the non-discounted and discounted customer charge for the applicable rates. |
| DUse\$ = | The difference between the non-discounted and discounted kWh base distribution charges for the applicable rates. |
| BR = | The Baseline Revenue is \$366,962. |
| I _x = | The estimated interest in the forecast period. |
| FUse _x = | The estimated kWh in the forecast period. |

In the event that the Company's total low-income discount in a given year is below the Baseline Revenue, no refund of any Baseline Revenue will be due to ratepayers.

1.06 Information Required to be Filed with the Department

Information pertaining to the RAAC shall be filed with the Department at least thirty (30) days before the date on which a new RAAF is to be effective, in conjunction with the Company's annual transition charge reconciliation filings. This information shall be submitted with each annual RAAF filing, along with complete documentation of the reconciliation-adjustment calculations.

1.07 Customer Notification

The Company shall notify customers in simple terms of changes to the RAAF, including the nature of the change and the manner in which the RAAF is applied to the bill. In the absence of a standard format, the Company shall submit this notice for approval at the time of each RAAF filing. Upon approval by the Department, the Company shall immediately distribute these notices to all of its distribution customers either through direct mail or with its bills, or as a bill message.

Form II**LOCAL DISTRIBUTION ADJUSTMENT FACTOR CALCULATIONS - LDAF**

$$\text{LDAF} = \text{EEC} + \text{RAF} + \text{TCF} - \text{BPCF} - \text{ITMC} + \text{UCF} + \text{PAF}^{(1)} + \text{RAAF}^{(3)}$$

All Classes

| | | | |
|-----------------|------|---|--|
| \$0.0105 | EEC | Energy Efficiency Charge: See Schedule I. | (As filed on September 16, 2005 in Form II LDAC) |
| \$0.0032 | RAF | Remediation Adjustment Clause Factor: See Schedule II. | (As filed on September 16, 2005 in Form II LDAC) |
| \$0.0000 | TCF | Transition Cost Factor | (As filed on September 16, 2005 in Form II LDAC) |
| \$0.0004 | BPCF | Balancing Penalty Credit Factor: See Schedule IV. | (As filed on September 16, 2005 in Form II LDAC) |
| \$0.0128 | ITMC | Interruptible Transportation Margin Credit: See Schedule V. | (As filed on September 16, 2005 in Form II LDAC) |
| \$0.0000 | UCF | Unbundling Cost Factor | (As filed on September 16, 2005 in Form II LDAC) |
| \$0.0228 | PAF | Pension/PBOP Adjustment Factor: See Schedule VIII (2) | (As filed on September 16, 2005 in Form II LDAC) |
| <u>\$0.0016</u> | RAAF | Residential Assistance Adjustment Factor | |
| \$0.0249 | LDAF | Local Distribution Adjustment Factor | |

(1) Per FG&E's Pension/PBOP Adjustment Factor Tariff, M.D.T.E. No. 119A, the PAF is included in the LDAF for billing purposes.

(2) Under separate cover letter, FG&E filed on this same day its annual Pension/PBOP Adjustment Factor filing ("PAF"). Data supporting the proposed PAF is included therein.

(3) Per FG&E's proposed Residential Assistance Adjustment Factor Tariff, M.D.T.E. No.120, the RAAF is included in the LDAF for billing purposes.

**Fitchburg Gas and Electric Light Company d/b/a Unitil
Gas Division
Determination of Residential Assistance Adjustment Factor - RAAF
Effective November 2005 - October 2006**

| | | |
|--|----------------|--------------------|
| 1. Beginning Balance: (November 1, 2005) | \$0 | Page 2, L. 1 |
| 2. Lost Revenue: (November 05 - October 06) | \$37,434 | Page 2, L. 2 |
| 3. Interest Expense: (November 05 - October 06) | <u>(\$709)</u> | Page 2, L. 9 |
| 4. Total | \$36,725 | L. 1 + L. 2 + L. 3 |
| 5. Total Therms: (November 05 - October 06) | 23,056,851 | Page 2, L. 3 |
| 6. Residential Assistance Adjustment Factor (\$/Therm) | \$0.0016 | L. 4 / L. 5 |

**Fitchburg Gas and Electric Light Company d/b/a Unitil
Gas Division
Residential Assistance Adjustment Factor Worksheet
Lost Revenue Recovery Schedule**

| | Est. Nov-05 | Est. Dec-05 | Est. Jan-06 | Est. Feb-06 | Est. Mar-06 | Est. Apr-06 | Est. May-06 | Est. Jun-06 | Est. Jul-06 | Est. Aug-06 | Est. Sep-06 | Est. Oct-06 | Total Nov-05 to Oct-06 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------------------|
| 1 Beginning Balance | \$0 | (\$2,659) | (\$7,819) | (\$16,198) | (\$20,791) | (\$22,533) | (\$20,815) | (\$16,731) | (\$10,560) | (\$5,813) | (\$2,294) | (\$707) | |
| 2 Lost Revenue in Excess of Baseline Revenue(July 05 - June 06) (1) | \$36 | (\$471) | (\$1,895) | \$1,464 | \$3,477 | \$5,319 | \$6,277 | \$7,677 | \$5,931 | \$4,520 | \$2,758 | \$2,340 | \$37,434 |
| 3 FS and FT (Terms) | 1,680,239 | 2,911,904 | 4,009,535 | 3,725,872 | 3,184,337 | 2,175,377 | 1,304,237 | 893,470 | 710,761 | 611,498 | 726,409 | 1,123,194 | 23,056,851 |
| 4 Residential Assistance Adjustment Factor | \$0.0016 | \$0.0016 | \$0.0016 | \$0.0016 | \$0.0016 | \$0.0016 | \$0.0016 | \$0.0016 | \$0.0016 | \$0.0016 | \$0.0016 | \$0.0016 | |
| 5 RAAF Revenue | \$2,688 | \$4,659 | \$6,415 | \$5,961 | \$5,095 | \$3,481 | \$2,087 | \$1,430 | \$1,137 | \$978 | \$1,162 | \$1,797 | \$36,891 |
| 6 Ending Balance - excl. interest (L.1 + L.2 - L.5) | (\$2,652) | (\$7,789) | (\$16,129) | (\$20,695) | (\$22,409) | (\$20,695) | (\$16,624) | (\$10,484) | (\$5,766) | (\$2,271) | (\$698) | (\$163) | |
| 7 Average Monthly Balance (L.1 + L.6)/2 | (\$1,326) | (\$5,224) | (\$11,974) | (\$18,446) | (\$21,600) | (\$21,614) | (\$18,719) | (\$13,608) | (\$8,163) | (\$4,042) | (\$1,496) | (\$435) | |
| 8 Interest Rate | 6.75% | 6.75% | 6.75% | 6.75% | 6.75% | 6.75% | 6.75% | 6.75% | 6.75% | 6.75% | 6.75% | 6.75% | |
| 9 Computed Interest | (\$7) | (\$30) | (\$69) | (\$96) | (\$124) | (\$120) | (\$107) | (\$75) | (\$47) | (\$23) | (\$8) | (\$2) | (\$709) |
| 10 Ending Balance (L.6 + L.9) | (\$2,659) | (\$7,819) | (\$16,198) | (\$20,791) | (\$22,533) | (\$20,815) | (\$16,731) | (\$10,560) | (\$5,813) | (\$2,294) | (\$707) | (\$166) | |

(1) See page 3, Line 28.

**Fritchburg Gas and Electric Light Company d/b/a Unitil
Gas Division
Lost Revenue for Recovery**

| Baseline Lost Revenue | | Total | | | | | | | | | | | |
|--|----------|----------|-----------|----------|----------|----------|----------|----------|----------|----------|----------|----------------------|-------------------------------|
| | Act | Act | Act | Act | Act | Act | Act | Act | Act | Act | Act | July-04 to Jun-05 | |
| 1 R2 Customers | 269 | 264 | 255 | 272 | 260 | 261 | 280 | 288 | 294 | 271 | 273 | 267 | 3,254 |
| 2 Customer Change Difference (\$/Cust) (1) | \$3.40 | \$3.40 | \$3.40 | \$3.40 | \$3.40 | \$3.40 | \$3.40 | \$3.40 | \$3.40 | \$3.40 | \$3.40 | \$3.40 | |
| 3 R2 Customer Change Baseline Lost Revenue (L.1 * L.2) | \$915 | \$898 | \$867 | \$925 | \$884 | \$887 | \$952 | \$979 | \$1,000 | \$921 | \$928 | \$908 | 11,064 |
| 4 R2 Weather Normalized Therms | 4,632 | 3,900 | 4,353 | 5,311 | 6,055 | 8,579 | 13,567 | 12,216 | 11,774 | 10,668 | 7,320 | 5,868 | 94,442 |
| 5 Distribution Change Difference (\$/Therm) (2) | \$0.1916 | \$0.1916 | \$0.1916 | \$0.1916 | \$0.1916 | \$0.1916 | \$0.1916 | \$0.1916 | \$0.1916 | \$0.1916 | \$0.1916 | \$0.1916 | |
| 6 R2 Distribution Baseline Lost Revenue (L.4 * L.5) | \$888 | \$747 | \$834 | \$1,056 | \$1,160 | \$1,644 | \$2,599 | \$2,341 | \$2,256 | \$2,044 | \$1,402 | \$1,124 | \$18,095 |
| 7 R4 Customers | 1,403 | 1,376 | 1,318 | 1,479 | 1,324 | 1,289 | 1,357 | 1,384 | 1,418 | 1,396 | 1,476 | 1,492 | 16,712 |
| 8 Customer Change Difference (\$/Cust) (3) | \$3.40 | \$3.40 | \$3.40 | \$3.40 | \$3.40 | \$3.40 | \$3.40 | \$3.40 | \$3.40 | \$3.40 | \$3.40 | \$3.40 | |
| 9 R4 Customer Change Baseline Lost Revenue (L.7 * L.8) | \$4,770 | \$4,678 | \$4,481 | \$5,029 | \$4,502 | \$4,383 | \$4,614 | \$4,706 | \$4,821 | \$4,746 | \$5,018 | \$5,073 | |
| 10 R4 Weather Normalized Therms | 33,311 | 26,985 | 31,826 | 59,503 | 87,606 | 148,939 | 239,679 | 220,908 | 186,665 | 139,615 | 78,685 | 47,813 | 1,301,535 |
| 11 Distribution Change Difference (\$/Therm) (4) | \$0.1568 | \$0.1568 | \$0.1568 | \$0.1568 | \$0.1568 | \$0.1568 | \$0.1568 | \$0.1568 | \$0.1568 | \$0.1568 | \$0.1568 | \$0.1568 | |
| 12 R4 Baseline Lost Revenue (L.10 * L.11) | \$5,223 | \$4,231 | \$4,990 | \$9,330 | \$13,737 | \$23,354 | \$37,582 | \$34,638 | \$29,269 | \$21,892 | \$12,338 | \$7,497 | \$204,081 |
| 13 Total Baseline Revenue (L.3 + L.6 + L.9 + L.12) | \$11,795 | \$10,555 | \$11,173 | \$16,339 | \$20,282 | \$30,267 | \$45,747 | \$42,664 | \$37,346 | \$29,603 | \$19,687 | \$14,602 | \$290,060 |
| Recovery Period Lost Revenue | | | | | | | | | | | | | |
| | Act | Act | Act | Est. | Est. | Est. | Est. | Est. | Est. | Est. | Est. | Est. | Total July-05 to Jun-06 |
| 14 R2 Customers | 263 | 264 | 224 | 297 | 292 | 320 | 257 | 330 | 336 | 310 | 310 | 303 | 3,506 |
| 15 Customer Change Difference (\$/Cust) (1) | \$3.40 | \$3.40 | \$3.40 | \$3.40 | \$3.40 | \$3.40 | \$3.40 | \$3.40 | \$3.40 | \$3.40 | \$3.40 | \$3.40 | |
| 16 Lost Revenue (L.14 * L.15) | \$894 | \$898 | \$762 | \$1,010 | \$993 | \$1,088 | \$874 | \$1,122 | \$1,142 | \$1,054 | \$1,054 | \$1,030 | \$11,920 |
| 17 R2 Usage (Therms) | 4,764 | 3,625 | 3,404 | 6,528 | 7,676 | 10,511 | 16,318 | 14,926 | 14,136 | 12,849 | 8,887 | 7,589 | 111,211 |
| 18 Distribution Change Difference (\$/Therm) (2) | \$0.1916 | \$0.1916 | \$0.1916 | \$0.1916 | \$0.1916 | \$0.1916 | \$0.1916 | \$0.1916 | \$0.1916 | \$0.1916 | \$0.1916 | \$0.1916 | |
| 19 Lost Revenue (L.17 * L.18) | \$913 | \$694 | \$652 | \$1,251 | \$1,471 | \$2,014 | \$3,126 | \$2,860 | \$2,709 | \$2,462 | \$1,703 | \$1,454 | \$21,308 |
| 20 R4 Customers | 1,430 | 1,392 | 1,215 | 1,525 | 1,492 | 1,544 | 1,572 | 1,592 | 1,655 | 1,634 | 1,701 | 1,644 | 18,396 |
| 21 Customer Change Difference (\$/Cust) (3) | \$3.40 | \$3.40 | \$3.40 | \$3.40 | \$3.40 | \$3.40 | \$3.40 | \$3.40 | \$3.40 | \$3.40 | \$3.40 | \$3.40 | |
| 22 Lost Revenue (L.20 * L.21) | \$4,862 | \$4,733 | \$4,131 | \$5,185 | \$5,073 | \$5,280 | \$5,345 | \$5,413 | \$5,627 | \$5,556 | \$5,783 | \$5,590 | \$62,546 |
| 23 R4 Usage (Therms) | 32,926 | 23,972 | 23,809 | 66,058 | 103,461 | 173,689 | 272,187 | 261,136 | 215,555 | 159,770 | 88,678 | 56,559 | 1,477,800 |
| 24 Distribution Change Difference (\$/Therm) (4) | \$0.1568 | \$0.1568 | \$0.1568 | \$0.1568 | \$0.1568 | \$0.1568 | \$0.1568 | \$0.1568 | \$0.1568 | \$0.1568 | \$0.1568 | \$0.1568 | |
| 25 Lost Revenue (L.23 * L.24) | \$5,163 | \$3,759 | \$3,733 | \$10,338 | \$16,223 | \$27,234 | \$42,679 | \$40,946 | \$33,799 | \$25,052 | \$13,905 | \$8,868 | \$23,719 |
| 26 Total Lost Revenue (L.16 + L.19 + L.22 + L.25) | \$11,832 | \$10,084 | \$9,278 | \$17,804 | \$23,759 | \$35,586 | \$52,024 | \$50,341 | \$43,277 | \$34,123 | \$22,445 | \$16,942 | \$327,494 |
| 27 Less Baseline Revenue (L.13) | \$11,795 | \$10,555 | \$11,173 | \$16,339 | \$20,282 | \$30,267 | \$45,747 | \$42,664 | \$37,346 | \$29,603 | \$19,687 | \$14,602 | \$290,060 |
| 28 Lost Revenue for Recovery (L.26 - L.27) | \$36 | (\$471) | (\$1,895) | \$1,464 | \$3,477 | \$5,319 | \$6,277 | \$7,677 | \$5,931 | \$4,520 | \$2,758 | \$2,340 | \$37,434 |

(1) R1 Customer Change \$8.50 - R2 Customer Change \$5.10 = \$3.40
 (2) R1 Distribution Change \$0.4790 - R2 Distribution Change \$0.2874 = \$0.1916
 (3) R3 Customer Change \$8.50 - R4 Customer Change \$5.10 = \$3.40
 (4) R3 Distribution Change \$0.3921 - R4 Distribution Change \$0.2353 = \$0.1568

**Fitchburg Gas and Electric Light Company d/b/a Util
Electric Division
Determination of Residential Assistance Adjustment Factor (RAAF)
Effective January 2006 - December 2006**

Page 1 of 3

| | | |
|--|---------------|------------------|
| 1. Beginning Balance (January 1, 2006) | \$0 | Page 2, L. 7 |
| 2. Lost Revenue (Jan 2006 - Dec 2006) | \$40,879 | Page 2, L. 1 |
| 3. Interest Expense - (Jan 2006 - Dec 2006) | <u>(\$88)</u> | Page 2, L. 13 |
| 4. Total | \$40,792 | L. 1 + L.2 + L.3 |
| 5. Total kWh: (Jan 2006 - Dec 2006) | 526,705,931 | Page 2, L. 11 |
| 6. Residential Assistance Adjustment Factor (\$/kWh) | \$0.00008 | L.4/L.5 |

Fitchburg Gas and Electric Light Company d/b/a Unitil
Electric Division
Residential Assistance Adjustment Factor Worksheet
Lost Revenue Recovery Schedule

| | Jan-06 | Feb-06 | Mar-06 | Apr-06 | May-06 | Jun-06 | Jul-06 | Aug-06 | Sep-06 | Oct-06 | Nov-06 | Dec-06 | Total |
|----|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|-------------|
| 1 | Estimated | Estimated | Estimated | Estimated | Estimated | Estimated | Estimated | Estimated | Estimated | Estimated | Estimated | Estimated | |
| 2 | Estimated kWh | 47,282,139 | 45,482,253 | 44,436,555 | 43,595,792 | 40,175,121 | 42,696,831 | 44,893,893 | 47,151,455 | 45,923,023 | 41,170,124 | 39,823,842 | 526,705,931 |
| 3 | Residential Assistance Adjustment Factor (RAAF) | \$0.00008 | \$0.00008 | \$0.00008 | \$0.00008 | \$0.00008 | \$0.00008 | \$0.00008 | \$0.00008 | \$0.00008 | \$0.00008 | \$0.00008 | |
| 4 | RAAF Recovery | \$3,783 | \$3,639 | \$3,535 | \$3,488 | \$3,214 | \$3,416 | \$3,592 | \$3,772 | \$3,674 | \$3,294 | \$3,186 | \$42,136 |
| 5 | Over/Under Recovery per Month (L.11 - L.15) | \$441 | \$344 | (\$4,856) | (\$600) | \$241 | \$1,745 | \$1,687 | \$1,380 | (\$745) | \$1,032 | \$41 | |
| 6 | CUMULATIVE OVER/UNDER RECOVERY | | | | | | | | | | | | |
| 7 | Beginning Balance | \$0 | \$442 | \$789 | (\$4,077) | (\$4,701) | (\$4,486) | (\$2,761) | (\$1,084) | \$293 | (\$452) | \$580 | \$624 |
| 8 | Recovery - Month | \$441 | \$344 | (\$4,856) | (\$600) | \$241 | \$1,745 | \$1,687 | \$1,380 | (\$745) | \$1,032 | \$41 | (\$1,967) |
| 9 | Ending Balance Before Interest | \$441 | \$786 | (\$4,067) | (\$4,676) | (\$4,460) | (\$2,741) | (\$1,073) | \$295 | (\$452) | \$580 | \$621 | (\$1,343) |
| 10 | Average Monthly Balance | \$220 | \$614 | (\$1,639) | (\$4,376) | (\$4,580) | (\$3,613) | (\$1,917) | (\$394) | \$64 | \$600 | \$600 | (\$339) |
| 11 | Interest Rate | 6.75% | 6.75% | 6.75% | 6.75% | 6.75% | 6.75% | 6.75% | 6.75% | 6.75% | 6.75% | 6.75% | 6.75% |
| 12 | Number of Days / Month | 31 | 28 | 31 | 30 | 31 | 30 | 31 | 31 | 30 | 31 | 30 | 365 |
| 13 | Computed Interest | \$1 | \$3 | (\$9) | (\$24) | (\$26) | (\$20) | (\$11) | (\$2) | (\$0) | \$0 | \$3 | (\$2) |
| 14 | Ending Balance with Interest | \$442 | \$789 | (\$4,077) | (\$4,701) | (\$4,486) | (\$2,761) | (\$1,084) | \$293 | (\$452) | \$580 | \$624 | (\$1,345) |

(1) See page 3, Line 16.

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| Baseline Lost Revenue | | | | | | | | | | | | Total |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------------------|
| | Act | Act | Act | Act | Act | Act | Act | Act | Act | Act | Act | July-04 to June-05 |
| 1 R2 Customers | Jul-04 | Aug-04 | Sep-04 | Oct-04 | Nov-04 | Dec-04 | Jan-05 | Feb-05 | Mar-05 | Apr-05 | May-05 | |
| 2 Customer Charge Difference (\$/Cust) (1) | 2,390 | 2,335 | 2,293 | \$1.15 | 2,289 | 2,270 | 2,398 | 2,454 | 2,451 | 2,363 | 2,431 | 26,117 |
| 3 R2 Customer Charge Baseline Lost Revenue (L.1 * L.2) | \$1,115 | \$1,115 | \$1,115 | \$2,852 | \$1,115 | \$1,115 | \$1,115 | \$1,115 | \$1,115 | \$1,115 | \$1,115 | \$1,115 |
| 4 R2 kWh | \$2,749 | \$2,685 | \$2,637 | \$2,632 | \$2,611 | \$2,758 | \$2,822 | \$2,819 | \$2,717 | \$2,796 | \$2,796 | \$2,808 |
| 5 Distribution Charge Difference (\$/kWh) (2) | 1,087,749 | 1,146,215 | 1,100,727 | 1,011,343 | 985,379 | 1,125,306 | 1,454,040 | 1,317,596 | 1,260,449 | 1,081,764 | 958,996 | 13,580,336 |
| 6 R2 Baseline Revenue (L.1 * L.3 + L.2 * L.4) | \$0,02460 | \$0,02460 | \$0,02460 | \$0,02460 | \$0,02460 | \$0,02460 | \$0,02460 | \$0,02460 | \$0,02460 | \$0,02460 | \$0,02460 | \$0,02460 |
| 7 Total Baseline Revenue (L.3 + L.6) | \$26,759 | \$28,197 | \$27,078 | \$24,879 | \$24,240 | \$27,683 | \$35,769 | \$32,413 | \$31,007 | \$26,611 | \$23,591 | \$334,076 |
| | \$29,507 | \$30,882 | \$29,715 | \$27,731 | \$26,873 | \$30,293 | \$38,527 | \$35,235 | \$33,826 | \$29,329 | \$26,387 | \$366,962 |
| Recovery Period Lost Revenue | | | | | | | | | | | | Total |
| | Actual | Actual | Actual | Estimated | Estimated | Estimated | Estimated | Estimated | Estimated | Estimated | Estimated | July-05 to June-05 |
| 8 R2 Customers | Jul-05 | Aug-05 | Sep-05 | Oct-05 | Nov-05 | Dec-05 | Jan-06 | Feb-06 | Mar-06 | Apr-06 | May-06 | |
| 9 Customer Charge Difference (\$/Cust) (1) | 2,369 | 2,386 | 2,075 | 2,588 | 2,528 | 2,651 | 2,688 | 2,714 | 2,783 | 2,690 | 2,751 | \$30,909 |
| 10 Lost Revenue | \$1,115 | \$1,115 | \$1,115 | \$1,115 | \$1,115 | \$1,115 | \$1,115 | \$1,115 | \$1,115 | \$1,115 | \$1,115 | \$1,115 |
| 11 R2 Usage (kWh) | \$2,724 | \$2,744 | \$2,386 | \$2,976 | \$2,907 | \$3,049 | \$3,091 | \$3,121 | \$3,200 | \$3,094 | \$3,164 | 35,545 |
| 12 Distribution Charge Difference (\$/kWh) (2) | 1,260,407 | 1,305,710 | 1,058,029 | 1,123,693 | 1,114,646 | 1,317,300 | 1,655,073 | 1,514,860 | 1,363,995 | 1,242,309 | 1,075,193 | \$15,133,963 |
| 13 Lost Revenue | \$0,02460 | \$0,02460 | \$0,02460 | \$0,02460 | \$0,02460 | \$0,02460 | \$0,02460 | \$0,02460 | \$0,02460 | \$0,02460 | \$0,02460 | \$0,02460 |
| 14 Total Lost Revenue (L.10 + L.13) | \$31,006 | \$32,120 | \$26,028 | \$27,643 | \$27,420 | \$32,406 | \$40,715 | \$37,266 | \$33,554 | \$30,561 | \$26,450 | \$372,295 |
| 15 Less Baseline Revenue (L.7) | \$33,730 | \$34,864 | \$28,414 | \$30,619 | \$30,327 | \$35,454 | \$43,806 | \$40,387 | \$36,755 | \$33,654 | \$29,613 | \$407,841 |
| 16 Lost Revenue for Recovery (L.14 - L.15) | \$29,507 | \$30,882 | \$29,715 | \$27,731 | \$26,873 | \$30,293 | \$38,527 | \$35,235 | \$33,826 | \$29,329 | \$26,387 | \$366,962 |
| | \$4,223 | \$3,982 | (\$1,301) | \$2,888 | \$3,455 | \$5,161 | \$5,279 | \$5,152 | \$2,929 | \$4,325 | \$3,226 | \$1,559 |
| | | | | | | | | | | | | \$40,879 |
| (1) R1 Customer Charge \$3.02 - R2 Customer Charge \$1.87 = \$1.15. | | | | | | | | | | | | |
| (2) R1 Distribution Charge \$0.0417 - R2 Distribution Charge \$0.0171 = \$0.0246. | | | | | | | | | | | | |